

## Notice of Intent to Certify Sole Source

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**To:** Interested Parties

**From:** Craig P. Orgeron, Ph.D.

**CC:** ITS Project Number 43104

**Date:** October 4, 2016

**Re:** Sole Source Certification Number 3940 for CCH ProSystem fx Engagement Software Support & Maintenance for the Mississippi Office of the State Auditor

**Contact Name:** Jordan Barber

**Contact Phone Number:** 601-432-8005

**Contact E-mail Address:** [jordan.barber@its.ms.gov](mailto:jordan.barber@its.ms.gov)

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### Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 3940 for CCH ProSystem fx Engagement Software Support & Maintenance for The Mississippi Office of the State Auditor (OSA), please be advised that ITS intends to award the support and maintenance to CCH Incorporated as the sole source provider of CCH ProSystem fx Engagement Software Support & Maintenance from November 1, 2016 through October 31, 2019, in an amount not to exceed \$95,063.00. For an explanation regarding Mississippi state law, policy and procedures for sole source procurements, refer to Attachment C: Sole Source Procurement Overview.

### Sole Source Criteria

1. The product or services being purchased must perform a function for which no other product or source of services exist:

**CCH ProSystem fx Engagement is an auditing workpaper management software that obtains instant access to paperless audit and tax client binders and promptly prepares financial statements and trial balance reports. CCH Incorporated, a Wolters Kluwer business, provides software and maintenance support for the CCH ProSystem fx Engagement System. The maintenance and support provides access to helpdesk support which includes remote servicing for end users and access to software patches and updates to provide security and stability for the system. OSA has made a business decision to continue the maintenance of the CCH ProSystem fx Engagement system. The customer's sole source certification request is included as Attachment A.**

2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services:

**The State, County, Electronic Data Processing, and Contract Audit Divisions of OSA use Engagement Software Support and Maintenance Helpdesk to troubleshoot issues that may arise with the CCH ProSystem fx Engagement System. The Software Support and Maintenance provides OSA with remote servicing at the end user's Engagement workstations along with software patches and updates that are necessary for the CCH ProSystem fx Engagement System. The customer's sole source certification request is included as Attachment A.**

3. The product or services must be available only from the manufacturer and not through resellers who could submit competitive pricing for the product or services:

**Wolters Kluwer is the owner and has full right and title to license the CCH ProSystem fx Engagement Software. In the United States, Wolters Kluwer is the sole source entity permitted to license CCH ProSystem fx Engagement. CCH Incorporated is in the Wolters Kluwer family of businesses under the Wolters Kluwer Tax and Accounting North America business. The Vendor's sole source certification letter is included as Attachment B.**

#### **Schedule**

<b>Task</b>	<b>Date</b>
First Advertisement Date	09/06/16
Second Advertisement Date	09/13/16
Response Deadline From Objectors	10/18/16, at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 10/19/16

#### **Project Details**

OSA originally purchased CCH ProSystem fx Engagement System and Software Support & Maintenance for the purpose of audit work paper management in September 2011, as a sole source procurement for five years. In May 2013, OSA purchased additional licenses and support for those licenses for 3 years. The total spend-to-date for this software, support, and maintenance is \$198,545.17. OSA is requesting to renew their support and maintenance for three additional years.

#### **Submission Instructions and Format of Response from Objecting Parties**

Interested parties who have reason to believe that the CCH ProSystem fx Engagement Software Support & Maintenance should not be certified as a sole source should provide information in the following format for the state to use in determining whether or not to proceed with awarding the Sole Source contract to Wolters Kluwer.

##### **1.1 Interested Party Information**

1.1.1 Contact Name, Phone Number and email address

1.1.2 Company Website URL, if applicable

##### **1.2 Objection to Sole Source Certification**

1.2.1 Interested parties must present specific objections to the Sole Source certification using the criteria listed above.

- 1.2.2 A statement regarding the Interested Party's capabilities as related to this Sole Source Certification Request.
- 1.3 Comments will be accepted at any time prior to Tuesday, October 18, 2016, at 3:00 p.m. (Central Time) to Jordan Barber at [jordan.barber@its.ms.gov](mailto:jordan.barber@its.ms.gov) or at the Mississippi Department of Information Technology Services, 3771 Eastwood Drive, Jackson, Mississippi 39211. Responses may be delivered by hand, via regular mail, overnight delivery, e-mail or by fax. Fax number is (601) 713-6380. ITS WILL NOT BE RESPONSIBLE FOR DELAYS IN THE DELIVERY OF RESPONSES. It is solely the responsibility of the Interested Parties that responses reach ITS on time. Interested Parties may contact Jordan Barber to verify the receipt of their Responses. Responses received after the deadline will be rejected.
- 1.4 Interested Party responses should include the following information:

**SUBMITTED IN RESPONSE TO**  
**Sole Source Certification No. 3940-43104**  
**Accepted until October 18, 2016 @ 3:00 p.m.,**  
**ATTENTION: Jordan Barber**

If you have any questions concerning the information above or if we can be of further assistance, please contact Jordan Barber at 601-432-8005 or via email at [Jordan.barber@its.ms.gov](mailto:Jordan.barber@its.ms.gov).

Attachment A: Customer Sole Source Certification Request  
Attachment B: Vendor Correspondence  
Attachment C: Sole Source Procurement Overview

## Attachment A



3771 Eastwood Drive  
Jackson, Mississippi 39211  
Phone 601-432-8000 Fax 601-713-6380

## Sole Source Certification Request

<b>Project Title: CHH Engagement Maintenance Extension</b>		<b>Stimulus (ARRA) Funds? Yes    No x</b>	
<b>Customer Contact Information</b>			
<b>Agency/Public University: Auditor, Office of the State</b> <b>Address: 801 Woolfork Building, Jackson, Mississippi</b> <b>39201</b>		<b>Contact Person: Stephen Houston</b> <b>Phone: 601-576-2965</b> <b>Fax: 601-576-2750</b> <b>Email Address: Stephen.houston@osa.ms.gov</b>	
<b>MAGIC Customer Number (only required from state agencies):</b> <b>7000000078</b>		<b>Division/Dept:</b> <b>Handmail: <input checked="" type="checkbox"/> Yes    <input type="checkbox"/> No</b>	
<b>Project Summary Narrative Description of Project</b> (include details of original acquisition if applicable): In September of 2011, the Office of the State Auditor made a sole source procurement of CCH ProSystem fx Engagement for the purpose of audit workpaper management. The initial purchase included the 65 Engagement licenses that OSA uses, as well as training and 5 years of support for the software. The support for the software is now expiring 9/30/2016 and OSA would like to renew support for 3 years. CCH/Wolters Kluwer is the only vendor that can provide support for Engagement and have provided a sole source letter. The renewed contract should extend support through 9/30/2019.			
<b>ITS Acquisition Approval (CP-1) should be effective through this date (Please allow time for all vendor invoices to be paid):</b>			
<b>Cost Estimates Fiscal Year</b>	<b>Initial Costs</b>	<b>Ongoing Costs</b>	<b>Time Constraints</b> <b>Item Needed by:</b> <b>Funds Expire:</b>
2017	\$29,719.00		<b>Anticipated Lifecycle of Products/System</b> (i.e. estimated years of effective use):  <b>Discuss Funding</b> (e.g. how much of needed funding is definite; total project budget; any matching or other non state funds) <b>Payment is 100% from General Fund and is definite</b>
2018	\$31,645.00		
2019	\$33,699.00		
<b>Total</b>	<b>\$95,063.00</b>	<b>\$0.00</b>	
<b>Acquisition Details</b>			
<b>Items Requested</b>	<b>Quantity</b>	<b>Description</b>	<b>Building Location(s)</b>
Renewed Engagement 3years	1	On-Call and Remote support	Woolfolk
<b>Describe platform &amp; infrastructure</b> (connectivity; software/hardware platforms; utilization of State Data Center resources: mainframe, eGovernment portal, payment engine, document management, hosting). For equipment or hosting outside the State Data Center, attach justification: The renewal is only for maintenance and will not require any additional infrastructure.			
<b>Progress to Date:</b> What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)? Spoke via telephone with ITS about the changes to Sole Source.			
<b>Sole Source Certification</b> Note: Certification must be renewed for each revision or continuation of previous Sole Source Approvals.			
<b>Specific business requirements to be met by the requested products or services:</b> CCH ProSystem fx Engagement is an auditing workpaper management software that obtains instant access to paperless audit and tax client binders and promptly prepares financial statements and trial balance reports. CCH Incorporated a Wolters Kluwer business provides software and maintenance support for the CCH ProSystem fx Engagement System. The maintenance and support provides access to helpdesk support which includes remote servicing for end users and access to software patches and updates to provide security and stability for the system. OSA has made a business decision to continue the maintenance of the CCH ProSystem fx Engagement system. The Mississippi Office of the State Auditor must have access to help desk support which includes remote servicing or our end user's Engagement workstations. Furthermore, the Office of the State Auditor must have access to patches and updates for the Engagement software in order to remain secure and stable while using the software.			
<b>Explain why these products or services are the only ones that can meet your needs</b> (include unique features/special functionality): The State, County, Electronic Data Processing, and Contract Audit Divisions all use Engagement Software Support and Maintenance Helpdesk to troubleshoot issues that may arise with the CCH ProSystem fx Engagement System. The Software Support and Maintenance provides OSA with remote servicing at the end user's Engagement workstations along with software patches and updates that are necessary for the CCH ProSystem fx Engagement System.			

Attachment A

<p><b>Explain why the source is the only entity that can provide the products or services (Include other products/vendors researched or evaluated):</b>  Wolters Kluwer is the owner and has full right and title to license the CCH ProSystem fx Engagement Software. In the United States, Wolters Kluwer is the sole source entity permitted to license CCH ProSystem fx Engagement. CCH Incorporated is in the Wolters Kluwer family of businesses under the Wolters Kluwer Tax and Accounting North America business. The Vendor's sole source certification letter is included as Attachment B.</p>	
<p><b>Explain why the amount to be expended for the services is reasonable:</b>  N/A</p>	
<p><b>Explain what your agency did to obtain the best possible price for the services:</b>  N/A</p>	
<p><b>Vendor's Certification of Sole Source attached:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No      <b>Vendor's proposal submitted:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p><b>MAGIC Vendor Code(s) Vendor must be in MAGIC before a CP-1 can be issued.</b></p>	
<p><b>Place Order To</b>  Vendor Name: CCH INC  Vendor Address: C/O WOLTER KLUWER  2700 LAKE COOK RD  RIVERWOODS, IL 60015</p>	<p><b>Remit To</b>  Vendor Name: CHH INC  Vendor Address: C/O WOLTER KLUWER  2700 LAKE COOD RD  RIVERWOODS, IL 60015</p>

By my signature, I certify that, to the best of my professional knowledge: the requested product or services are a sole source as outlined in the ITS Procurement Handbook, Rule 207.2:013-030 Procurement Types: Sole Source, and as outlined in Mississippi Code annotated Section 31-7-13. In addition, I acknowledge that there is a charge for ITS procurement services associated with this request which will be billed to the requestor by ITS and that my agency/public university is responsible for these charges/costs.

Stacey Pickering State Auditor  
Name (Agency Head or Public University CIO) Title

  
Signature

7-30-16  
Date



September 20, 2016

CCH, a Wolters Kluwer business  
20101 Hamilton Ave., Suite 200  
Torrance, CA 90502  
800-739-9998 option 1,2

Mississippi Office of the State Auditor  
Mr. Jim Moore  
Director, Information Technology Division  
501 N. West Street  
Suite 801, Woolfolk Building  
Jackson, MS 39201

ProSystem account 144514

Dear Jim,

This letter is to confirm that Wolters Kluwer is the owner and has full right and title to license the software package CCH® ProSystem fx® Engagement. In the United States, Wolters Kluwer is the sole entity permitted to license CCH ProSystem fx Engagement. CCH Incorporated is in the Wolters Kluwer family of businesses under the Wolters Kluwer Tax and Accounting North America business.

Sincerely,

A handwritten signature in black ink that reads 'John P. Barnes'. The signature is written in a cursive style with a horizontal line at the end.

John P. Barnes  
Vice President, Product Management  
Wolters Kluwer, Tax & Accounting US

## **Attachment C: Sole Source Procurement Overview**

The acquisition of information technology for all state agencies and institutions of higher learning (IHLs) is within the scope of the ITS law, found in Mississippi Code Section 25-53-1, et seq., and the policies and procedures established in accordance with this statute, found in the ITS Procurement Handbook posted on the ITS website ([www.its.ms.gov](http://www.its.ms.gov)).

ITS enabling legislation requires that information technology hardware, software and services be acquired in a manner that insures the maximum of competition among all manufacturers and suppliers of such equipment and services. Accordingly, ITS promotes full and open competition through the issuance of open specifications and the objective evaluation of Interested Party proposals to determine the lowest and best offering to meet an agency's or public university's business requirements. True competition protects the integrity and credibility of purchasing in the public sector and is essential in providing best value and adequate contractual protection for the purchasing entity. In certain limited situations, information technology acquisitions may be sole-sourced.

ITS utilizes the provisions of Public Purchasing Law for Sole Source and Emergency procurements of information technology. Mississippi Public Purchasing Law (Mississippi Code Section 31-7-13) specifies that noncompetitive items available from one source only be exempted from bid requirements (sole-sourced). ITS statute, in Section 25-53-5 (p), permits ITS to utilize provisions in Public Purchasing Law or regulations, when applicable.

Per Public Purchasing law, acquisitions must meet the following criteria to be authorized as sole source:

1. The product or services being purchased must perform a function for which no other product or source of services exists,
2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services, AND
3. The product or services must be available only from the manufacturer and NOT through resellers who could submit competitive pricing for the product or services. The vendor's correspondence regarding this criterion for this project is included as Attachment B.

By policy as documented in the ITS Procurement Handbook, acquisitions of IT services must include the following information to be authorized as sole source:

1. An explanation about why the amount to be expended is reasonable, and
2. An explanation regarding the efforts by the purchaser to obtain the best possible price.

For state agencies, approval of all technology purchases with a lifecycle cost of \$5,000 or less, including sole source purchases, has been delegated to the agency. The ITS Procurement Limits Policies for Agencies (a section in the ITS Procurement Handbook) require a minimum of two competitive written bids or proposals for technology purchases with a lifecycle cost over \$5,000 but not over \$50,000 (not over \$25,000 for projects funded by the American Recovery and Reinvestment Act). Since, for single source items, the procuring agency will be unable to obtain two written bids, ITS must certify all sole source acquisitions of information technology with a lifecycle cost greater than \$5,000.

Institutions of Higher Learning (IHLs) or public universities have been delegated the authority to certify sole source procurements up to \$250,000 lifecycle cost under the ITS Procurement Limits Policies for IHLs (a section in the ITS Procurement Handbook). For the certification of sole source procurements delegated to the CIOs at public universities, the public university must follow ITS' Sole Source Procedure, including advertisement of the intent to award as sole source. Institutions certifying a sole source purchase must ensure the criteria listed above are met and documented in writing by the institution and the Interested Party prior to certifying a product or service as sole source. Sole source documentation must be reviewed and approved by the IHL's CIO for any sole-source certification above \$5,000. All sole source documentation should be retained in the public university's procurement file. Sole source requests above \$250,000 lifecycle cost require ITS approval.

## **Attachment C: Sole Source Procurement Overview**

Other than the delegations outlined above, all sole source technology procurements must be certified by ITS. The customer's Sole Source Certification Request for this project is included as Attachment A.

ITS thoroughly reviews Sole Source Certification Requests, determining if competing products and/or services exist. If so, ITS conducts a competitive procurement. If ITS' review confirms the sole source, then a Sole Source advertisement is issued, giving other Interested Parties an opportunity to identify competing products and/or services. Based upon the results of the Sole Source advertisement, ITS will either certify the request as a sole source or conduct a competitive procurement.